

2009 NetValue Network

August 19, 2008

Health Benefits Committee

2009 NetValue Network Goals

Key goals in constructing the 2009 NetValue Network:

- ✓ Maintain the premium price differential between NetValue and Access+.
- ✓ Minimize member disruption.
- ✓ Grow the NetValue network where possible to continue to maximize member access to lower cost medical groups and encourage continued and new enrollment in NetValue.

NetValue Network Methodology

- As in 2008, cost and quality criteria determined MG and IPA inclusion in the network:
 - MG's/IPA's total cost of healthcare was evaluated by geographic cohort — cost data adjusted to account for the underlying health risk of the population.
 - Utilized nationally-recognized quality metrics.
- Data period was updated to year ending June 30, 2007 and trended through 2009.

NetValue Network Configuration Results

- The NetValue HMO product will continue to be available in the current 17-county service area.
- The 2008 network contains: 106 MG/IPAs representing forty three percent of the Access + MG/IPAs in the 17-county service area.
- The 2009 network will contain: 120 MG/IPAs representing forty eight percent of the Access+ MG/IPAs in the 17-county service area.
- Net Value has a net gain of 18 MG/IPAs for 2009.
 - 24 new MG/IPAs are being added with combined CalPERS membership of 8,994.
 - 6 current NetValue MG/IPAs, with combined CalPERS membership of 1,516, will not be available in the 2009 network. (Approximately 350 of these members have PCPs who are also affiliated with another MG/IPA still available in NetValue.)

NetValue Network Communication Plan

Pre-Open Enrollment Activities

During the month of August the following communications will occur:

1. On August 27th a special communication will be sent to those members who are in Access +, but whose current PCP is in NetValue, to encourage them to move to NetValue so they:
 - a. Can retain current PCP;
 - b. Will have same benefits;
 - c. Will lower their premiums.
2. On August 29th a targeted communication will be sent to the current NetValue members who belong to an MG/IPA that will no longer be available in the 2009 NetValue network. Communication will outline options available to member:
 - a. If current PCP is available to them under an alternate NetValue MG/IPA, members can move to the alternate MG/IPA;
 - b. If current PCP is not available in NetValue, members can move to Access + to keep their PCP or find another PCP who is in the 2009 NetValue network.

NetValue Network Communication Plan...

3. On August 6th a targeted communication will be sent to all HBOs highlighting the NetValue Plan, the relevant network changes, and rates. A special outreach will be made to those agencies with a high number of targeted Access+ members currently seeing a NetValue provider.
4. By August 15th update member and HBO dedicated websites with NetValue network changes, benefit brochures, and rates.
5. By August 29th complete outreach to MG/IPAs regarding their NetValue status.
6. By August 29th notify appropriate local legislators that six MG/IPAs will no longer be available in NetValue but remain available in Access+.

NetValue Network Communication Plan...

Open Enrollment Activities:

Blue Shield will use the Open Enrollment health fairs running September 2nd through October 10th to continue educating members and HBOs in-person on:

- Relevant NetValue network changes;
- Necessary steps to take to ensure continued and expanded enrollment in NetValue;
- Necessary actions for members who would like to switch products.